

Number: **201514007**
Release Date: 4/3/2015

Department of the Treasury
Washington, DC 20224

Third Party Communication: None
Date of Communication: Not Applicable

Person To Contact: _____, ID No. _____

Refer Reply To:
CC:CORP:B02
PLR-134055-14

Date:
December 11, 2014

Legend

Sub 1 =

Sub 2 =

Sub 3 =

Sub 4 =

Sub 5 =

Sub 6 =

Sub 7 =

Sub 8 =

Sub 9 =

Date 1 =

Date 2 =

Company Official =

Tax Professional =

Dear :

This letter replies to a letter from your authorized representative, dated September 9, 2014, requesting an extension of time under §§ 301.9100-1 and 301.9100-3 of the Procedure and Administration Regulations to file an election. This extension is being requested for Parent and Sub 1 through Sub 9, inclusive, to make an election to file a consolidated Federal income tax return, with Parent as the common parent, under § 1.1502-75(a)(1) of the Income Tax Regulations (hereinafter, referred to as the “Election”), effective for the taxable year ending on Date 2. The material information provided in that letter and subsequent correspondence is summarized below.

Parent is the common parent of an affiliated group of corporations that includes Sub 1 through Sub 9, inclusive (“Parent Group”). On Date 1, Parent acquired, directly or indirectly, all of the stock of Sub 1 through Sub 9, and on the day after Date 1, Sub 1 through Sub 9 became members of the Parent Group.

An election for the Parent Group to file a consolidated income tax return, with Parent as the common parent, for the taxable year ending on Date 2 was due on the last day prescribed by law (including extensions of time) for the filing of Parent's return. Parent intended to file the Election, but for various reasons a valid Election (i.e., the filing of the consolidated return) was not filed by the due date of Parent's return. After the due date for the Election, it was discovered that the Election had not been timely filed. Subsequently, this request was submitted, under § 301.9100-3, for an extension of time to file the Election. The period of limitations on assessment under § 6501(a) has not expired for any member of the Parent Group for the taxable year ending on Date 2 or any taxable year that would be affected by the Election if it has been timely filed. Parent has represented that it does not seek to alter a return position for which an accuracy-related penalty has been or could be imposed under § 6662.

Section 1.1502-75(a)(1) of the Income Tax Regulations provides, in part, that an affiliated group of corporations which did not file a consolidated return for the immediately preceding taxable year may file a consolidated return in lieu of separate returns for the taxable year, provided that each corporation which has been a member of the group during any part of the taxable year for which the consolidated return is to be filed consents, in accordance with § 1.1502-75(b), to the regulations under § 1502. If a group wishes to exercise its privilege of filing a consolidated return, such consolidated return must be filed not later than the last day prescribed by law (including extensions of time) for the filing of the common parent's return.

Under § 301.9100-1(c), the Commissioner has discretion to grant a reasonable extension of time to make a regulatory election or a statutory election (but no more than six months except in the case of a taxpayer who is abroad), under all subtitles of the Internal Revenue Code except subtitles E, G, H, and I.

Sections 301.9100-1 through 301.9100-3 provide the standards the Commissioner will use to determine whether to grant an extension of time to make a regulatory election. Section 301.9100-1(a). Section 301.9100-2 provides automatic extensions of time for making certain elections. Requests for relief under § 301.9100-3 will be granted when the taxpayer provides evidence to establish to the satisfaction of the Commissioner that the taxpayer acted reasonably and in good faith, and that granting relief will not prejudice the interests of the government. Section 301.9100-3(a).

In this case, the time for filing the Election is fixed by the regulations (i.e., § 1.1502-75(a)(1)). Therefore, the Commissioner has discretionary authority under § 301.9100-3 to grant an extension of time for Parent to file the Election, provided Parent shows it acted reasonably and in good faith, the requirements of §§ 301.9100-1 and 301.9100-3 are satisfied, and granting relief will not prejudice the interests of the government.

Information, affidavits, and representations submitted by Parent, Company Official, and Tax Professional explain the circumstances that resulted in the failure to timely file the Election. The information establishes that Parent reasonably relied on a qualified tax professional who failed to make, or advise Parent to make, the Election, and that the request for relief was filed before the failure to make the Election was discovered by the Internal Revenue Service. See §§ 301.9100-3(b)(1)(i) and (v).

Based on the facts and information submitted, including the affidavits submitted and representations made, we conclude that Parent has shown it acted reasonably and in good faith, the requirements of §§ 301.9100-1 and 301.9100-3 are satisfied, and granting relief will not prejudice the interests of the government. Accordingly, provided that the Parent Group qualifies substantively to file a consolidated return for the applicable tax year, an extension of time is granted under § 301.9100-3, until sixty (60) days from the date on this letter, for Parent to file the Election. The Parent Group, having already filed a consolidated return for its taxable year ending on Date 2, must attach to such return a Form 1122 for each of Subs 1 through 9, and a copy of this ruling letter (or if the Parent Group files the return electronically, in lieu of attaching a copy of this ruling letter, a statement must be attached to the return that provides the date and the control number of this ruling letter).

The above extension of time is conditioned on the Parent Group's tax liability (if any) being not lower, in the aggregate, for all years to which the Election applies, than it would have been if the Election had been timely made (taking into account the time value of money). No opinion is expressed as to the Parent Group's tax liability for the years involved. A determination thereof will be made by the applicable Director's office upon audit of the Federal income tax returns involved.

We express no opinion with respect to whether, in fact, the Parent Group qualifies substantively to file a consolidated return. In addition, we express no opinion as to the tax effects or consequences of filing the return or the Election late under the provisions of any other section of the Code or regulations, or as to the tax treatment of any conditions existing at the time of, or effects resulting from, filing the return or the Election late that are not specifically set forth in the above ruling.

For purposes of granting relief under § 301.9100-3, we relied on certain statements and representations made by Parent, Company Official, and Tax Professional. However, the Director should verify all essential facts. In addition, notwithstanding that an extension is granted under § 301.9100-3 to file the Election, penalties and interest that would otherwise be applicable, if any, continue to apply.

This ruling is directed only to the taxpayers requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

PLR-134055-14

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to two of your authorized representatives.

Sincerely,

Ken Cohen
Senior Technician Reviewer, Branch 3
Office of Associate Chief Counsel
(Corporate)

cc: